

November 20, 2006

Northern Illinois Gas Company
1844 Ferry Road
Naperville, IL 60563
Attention: Gerald P. O'Connor
Vice President Finance and Treasurer

Re: 5 Year Credit Agreement dated September 13, 2005, as amended, by and among Northern Illinois Gas Company and NICOR Inc., as borrowers, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (the "Credit Agreement")

Dear Mr. O'Connor:

JPMorgan Chase Bank, N.A., as administrative agent under the Credit Agreement, confirms to you as follows:

- (i) NICOR Inc. is a party to the Credit Agreement;
- (ii) Subject to the terms and conditions stated therein, NICOR Inc. may borrow up to \$300,000,000 under the Credit Agreement;
- (iii) As of the date of this letter, there are no outstanding loans by NICOR Inc. under the Credit Agreement; and
- (iv) The lenders that are party to the Credit Agreement and, subject to the terms and conditions stated therein, the amount of the commitment of each lender that is available to NICOR Inc. is shown on Attachment 1 to this letter.

We understand that Northern Illinois Gas Company intends to submit this written confirmation to the Illinois Commerce Commission to document the borrowing capacity of NICOR Inc. under the Credit Agreement and the current amount of loans outstanding by NICOR Inc. thereunder.

Sincerely,



J.P. Morgan Securities Inc. • 227 West Monroe Street, Suite 2800, Chicago, IL 60606
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ATTACHMENT 1**CURRENT COMMITMENTS AVAILABLE TO NICOR INC.**

<u>Lender</u>	<u>Commitment</u>
ABN Amro Bank N.V.	36,000,000
JPMorgan Chase Bank, N.A.	36,000,000
Wachovia Bank, N.A.	36,000,000
The Bank of Tokyo-Mitsubishi, Ltd., Chicago	32,400,000
The Bank of New York	27,000,000
Societe Generale	24,000,000
The Northern Trust Company	24,000,000
Mizuho Corporate Bank, Ltd.	16,500,000
Banco Bilbao Vizcaya Argentaria S.A.	15,000,000
SunTrust Bank	15,000,000
Wells Fargo Bank, National Association	15,000,000
U.S. Bank National Association	14,400,000
Fifth Third Bank (Chicago)	7,500,000
Seaway National Bank of Chicago	1,200,000